

Housing Assistance Payments Contract, Part A Subsidized Unit Version

Section 8 Tenant-Based Assistance Rental Certificate Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Part A: Contract Information

This HAP contract consists of Form HUD-52535.4, Part A, and Form HUD-52535.5, Part B.

This form of contract may only be used if the contract unit will be rented under the Certificate Program and is subsidized under one of the following: Section 221(d)(3)BMIR, Section 202 (other than 202/Section 8), Section 236 (insured or noninsured), FmHA Section 515 (other than FmHA Section 8), or State or locally subsidized unit.

Type of subsidized unit (check **one** only):

- ☐ Section 221(d)(3)BMIR
- ☐ Section 202
- ☐ Section 236 (insured)
- ☐ Section 236 (noninsured)
- ☐ FmHA Section 515
- ☐ State or locally subsidized
- Description of State or local subsidy program _____
- _____
- _____
- _____

1. Contract Unit (Enter address of unit, including apartment number, if any.)

2. Tenant (Enter full name of tenant)

3. Beginning of Term

The term of the HAP contract begins on (Enter the first day of the lease term.):

4. Family Members (Enter the full names of all family members)

5. Contract Rent

The monthly contract rent shall be adjusted in accordance with the HAP contract. Initially and until such adjustment, the amount of the contract rent is:

\$ _____ per month.

6. Housing Assistance Payment

The amount of the monthly housing assistance payment by the HA to the owner is subject to change during the term of the HAP contract. Initially and until such change the amount of the monthly housing assistance payment is:

\$ _____ per month.

Signatures

Housing Agency

Print or Type Name of HA

Signature

Print or Type Name and Title of Signatory

Date

Owner

Print or Type Name of Owner

Signature

Print or Type Name and Title of Signatory

Date

Instructions for Use of

Form HUD-52535.4, Part A, and Form HUD-52535.5, Part B, of the Certificate Housing Assistance Payments Contract, Subsidized Unit Version

The Certificate Housing Assistance Payments Contract, Part A, Subsidized Unit Version (form HUD-52535.4) and Part B, Subsidized Unit Version (form HUD-52535.5) shall be used for a new Certificate HAP contract for subsidized units executed by HAs. This contract provides for changes in the Section 8 contract rent to conform to the subsidized rent for the project. This Certificate HAP contract, form HUD-52535.4 and 52535.5, may only be used on behalf of Section 8 certificate holders who select units in the following types of subsidized projects: Section 221(d)(3) BMIR, Section 202 (other than a Section 202/8 unit), Section 236 (insured or noninsured including HFDA), FmHA Section 515 (other than FmHA/Section 8 unit) or State or locally subsidized. This instruction sheet will be used for computing rent adjustments pursuant to HUD requirements for Section 8 certificate program families residing in the subsidized units under either: (1) HAP Contract for subsidized unit, dated 10-82, distributed June 17, 1983, (2) HAP Contract for subsidized unit form HUD-52535A, dated 5-84, or (3) HAP Contract, Subsidized Unit Version, form HUD-52535.4 and 52535.5.

Computing Rent

1. Subsidized Rent. When a unit is placed under HAP contract, using the HAP contract for a subsidized unit, the contract rent paid to the owner is based on the **subsidized rent** for the unit. The subsidized rent is determined by HUD for each subsidy program.

2. Initial Contract Rent.

a. **Initial leasing of unit.** When the subsidized unit is initially leased to a Section 8 certificate holder, the maximum gross rent for the unit may not be more than the Fair Market Rent (FMR) limitation.

Subject to the FMR and rent reasonableness limitations, the initial contract rent is equal to the subsidized rent.

b. **Renewal of lease of subsidized unit.** After the initial Section 8 leasing of the subsidized unit, rent determination is no longer subject to the FMR limitation. On each execution of a new HAP Contract for the same family continuously occupying the same unit, the initial contract rent is equal to the subsidized rent. The determination of rent is treated as a rent adjustment, under the rules stated below.

3. Rent Adjustments

a. After the beginning of the HAP contract term (for the initial leasing of unit with Section 8 assistance), the amount of the contract rent adjusts automatically when the subsidized rent is changed. The adjusted contract rent is equal to the subsidized rent.

b. Regular certificate program rent adjustment procedures do not apply. The contract rent is not adjusted by application of the published annual adjustment factor to the contract rent. However, adjustment of contract rents in accordance with changes in the subsidized rent is subject to the rent reasonableness limitation. Adjustments may not result in material differences between the rents changed for assisted and comparable unassisted units as determined by the HA.

c. Since changes in the contract rent occur whenever there are changes in the subsidized rent, there is no specified time or minimum interval for adjustment of the contract rent. The contract rent is adjusted whenever the subsidized rent is changed.

Determination of Rent in Certain Subsidized Programs

The subsidized rent for a Section 8 certificate program unit under the HAP contract in subsidized projects shall be determined as follows:

1. Section 236 (insured and noninsured, including HFDA).

The subsidized rent is the monthly rental charge for the unit. Generally, the rental charge is the greater of (i) 30 percent of adjusted income, or (ii) the basic rent for the unit (for insured projects, see Section 236.55(b)).

2. Section 221(d)(3) BMIR.

The subsidized rent is the BMIR rent for the unit.

3. Section 202 (not including Section 8/202).

The subsidized rent is the rent for the unit as approved by HUD in accordance with the Regulatory Agreement.

4. FmHA Section 515 (not including a FmHA Section 8 unit).

The subsidized rent is the basic rental rate for the unit as approved by the FmHA.

5. State or locally subsidized.

For cases involving a Section 8 certificate program tenant in a State or locally subsidized unit, the HUD Field Office shall request instruction from the Headquarters, Office of Rental Assistance, on the types of subsidy programs covered by these instructions, and on the procedure for computation of the subsidized rent.